

ND STATE BONDING FUND

State Investment Board Balance Sheet As of 10/31/2008

	As of <u>10-31-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 470,733	\$ 600,315
INTERNATIONAL EQUITIES	168,358	238,009
DOMESTIC FIXED INCOME	1,235,253	1,415,135
INVESTED CASH (NOTE 1)	<u>254,220</u>	<u>263,002</u>
 TOTAL INVESTMENTS	 2,128,564	 2,516,461
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	29,439	28,561
MISCELLANEOUS RECEIVABLE	<u>4</u>	<u>4</u>
 TOTAL RECEIVABLES	 29,443	 28,565
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	64,787	81,315
OPERATING CASH	<u>179</u>	<u>452</u>
 TOTAL ASSETS	 <u>\$ 2,222,973</u>	 <u>\$ 2,626,793</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	64,787	81,315
ACCOUNTS PAYABLE	6	17
ACCRUED EXPENSES	33	30
INVESTMENT EXPENSE PAYABLE	<u>3,903</u>	<u>3,903</u>
 TOTAL LIABILITIES	 68,729	 85,265
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	2,541,528	2,729,760
CASH IN DURING YEAR (NOTE 3)	0	0
CASH OUT DURING YEAR (NOTE 4)	0	80,000
NET INCREASE (DECREASE)	<u>(387,284)</u>	<u>(108,232)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>2,154,244</u>	 <u>2,541,528</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 2,222,973</u>	 <u>\$ 2,626,793</u>

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State Investment Board Profit and Loss Statement For the Month Ended 10/31/2008

	Month Ended <u>10-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 7,275	\$ 32,350
SECURITIES LENDING INCOME	<u>180</u>	<u>764</u>
	7,455	33,114
 GAIN ON SALE OF INVESTMENTS	 67,306	 197,732
LOSS ON SALE OF INVESTMENTS	<u>113,742</u>	<u>257,090</u>
 NET GAINS (LOSSES) INVESTMENTS	 (46,436)	 (59,358)
 INVESTMENT EXPENSES	 0	 3,909
SECURITIES LENDING EXPENSES	91	518
 NET INVESTMENT INCOME	 (39,072)	 (30,671)
 NET APPREC (DEPREC) MARKET VALUE	 (187,180)	 (357,294)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(18)</u>	<u>951</u>
 TOTAL INVESTMENT INCOME	 <u>(226,270)</u>	 <u>(387,014)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	20	270
 NET INCREASE (DECREASE)	 <u>\$ (226,290)</u>	 <u>\$ (387,284)</u>

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State Investment Board SUPPLEMENTARY INFORMATION As of 10/31/2008

	As of <u>10/31/08</u>
ASSETS:	
INVESTMENTS (AT COST)	
LARGE CAP EQUITY	462,351
SMALL CAP EQUITY	<u>202,905</u>
TOTAL DOMESTIC EQUITIES	665,255
INTERNATIONAL EQUITY	253,845
FIXED INCOME	1,398,970
INVESTED CASH (NOTE 1)	<u>254,220</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$2,572,290</u></u>

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Notes To Financial Statements
October 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.